

**GOVERNMENT OF ANDHRA PRADESH**

**ABSTRACT**

Municipal Administration & Urban Development Department - Korutla Municipality- Allegations against Sri M.A. Gaffar, Chairperson, Korutla Municipality- Enquiry conducted- Show cause notice issued-Explanation submitted—Removal of Sri M.A. Gaffar, from the office of the Chairperson- Korutla Municipality under section 60 (I) of the Andhra Pradesh Municipalities Act, 1965 -orders- Issued.

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**MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (Elec.I) DEPARTMENT**

**G.O.Ms.No.400**

**Dated: 18.09.2010**

**Read the following:**

- Ref: 1.From the Hon'ble A.P. High Court, Hyderabad order in W.P.No. 26558/2007, dated: 11.06.2010.
2. Government U.O.Note.No.1640/Elec-I/2010 of MA&UD (Elec.I) Department, dated. 24.06.2010.
3. From General Administration (Vigilance & Enforcement) Department, Vigilance Report No:79 (C.No. 100/V&E/D1/10), Dated: 15-07-2010.
4. Government Memo.No1640 /Elec. I/2010-11, dated:20.7 2010.
5. From Sri M.A. Gaffar, Municipal Chairperson, Korutla Municipality, Explanation, dated: 24.8.2010.

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**ORDER:**

It has been brought to the notice of the Government that Sri M.A. Gaffar, Chairperson, Korutla Municipality has committed certain serious irregularities while functioning as Municipal Chairperson, Korutla Municipality in purchase of hydraulic tractors and trailers.

2. In the reference 2<sup>nd</sup> read above, the Government have requested the Vigilance & Enforcement Department to cause a thorough probe into the whole matter of purchase of hydraulic tractors and trailers by the Korutla Municipality from the M/s Panchasheel Enterprise, dealer of Mahindra & Mahindra Tractors; the loss caused to the Municipality, if any, as a result of such decision; whether there is any nexus (personal or commercial) between any of the members of the Council including the Chairperson of the Municipality and the 4<sup>th</sup> respondent; the role of the Municipal Commissioner, Korutla and his obligations under the provisions of the Andhra Pradesh Municipalities Act to inform the State Government as to the deleterious effects of the decision of the Council on the Municipal funds.

3. In the reference 3<sup>rd</sup> read above, the Vigilance and Enforcement Department have conducted the enquiry and submitted report on the irregularities in purchase of Tractors & Trailers in Korutla Municipality. After examining the enquiry report of Vigilance and Enforcement Department, Government have noticed the following irregularities committed by Sri M.A. Gaffar, Chairperson, Korutla Municipality.

1. The purchase of three Tractors from M/s Panchasheel Enterprises, Karimnagar was done without verifying the existing market prices or conducting any negotiation for reduction of purchase price.

2. No specific resolution deciding not to include the name of the Eicher Company in the 2<sup>nd</sup> Tender Notice was made in the meeting dated 30.8.2007. But the name of the Eicher Company was excluded in the 2<sup>nd</sup> Tender Notice dated.1.10.2007 and the names of Mahindra & Mahindra and Fergusson Companies were included and a resolution to this effect was made through the resolution No.36 dated 30.8.2007, willfully by both the Chairperson and the Municipal Commissioner, Korutla Municipality.

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3. The Chairperson has written in the Minutes register that 'except Sri Induri Satyam, Councilor for Ward No.22, all other members have approved the resolution' vide resolution No.56 dated.30.11.2007, though majority of the Council members have opposed the Chairperson on his unilateral decision that the order for the supply of three tractors shall be given to M/s. Panchasheel Enterprises, Karimnagar.

4. The suggestions made by the Members of the Municipal Council that the Chairperson should negotiate with the supplying dealer for tractors, was not heeded to. They did not conduct any negotiations with the dealer and caused loss of funds to a tune of Rs.1,25, 820/-.

5. The loss of Municipal Funds could be Rs.3,39,000/-, if the lowest bid in the 1st tender for the Eicher tractor @ Rs.2,95,000/- each is taken into account.

6. By going against the procedures prescribed for conducting the meetings of the Municipal Council, the Chairperson, Korutla Municipality, has favoured M/s Panchasheel Enterprises, Karimnagar through his unilateral decision in placing order for the supply of three tractors with M/s Panchasheel Enterprises, Karimnagar.

4. Government have issued a notice to Sri M.A.Gaffar, Chairperson, Korutla Municipality in the reference 6<sup>th</sup> read above to show cause as to why he should not be removed from the office of Chairperson, Korutla Municipality for the above irregularities committed by him.

5. In the reference 4<sup>th</sup> read above Sri M.A.Gaffar, Municipal Chairperson, Korutla Municipality, has submitted his explanation dated: 24.8.2010 to the allegations as follows:

1. It is the responsibility of the then Commissioner to verify the past market price and the present market price of the tractors and take action accordingly.

2. The proposals to call tenders for purchasing of tractors from dealers of Mahindra, Eicher, Ferguson were placed before, the Council. and as per the recommendations of the Council, the tenders were cancelled and fresh tenders were called from Mahindra & Mahindra, Ferguson, vide C.R.No.36 dt 30.8.2007.

3. It was brought to the notice of the Council that the rate quoted by the Mahindra & Mahindra Company was higher by Rs.41,940/- compared to the rate quoted previously and the Council was requested to note this point and take a decision about the acceptance of tenders. The Municipal Council in its resolution No. 56, dated: 30.11.2007 accepted the tender of Mahindra & Mahindra with the support of all the Councilors except Sri Induri Satyam, 22<sup>nd</sup> ward member.

4. He is not concerned with the matter and the Commissioner has to take action in the matter.

5. The matter relating to tender rates quoted by the Mahindra & Mahindra, Eicher Ferguson was placed before the Council in its meeting held on 30.8.2007. The tenders were cancelled as per the recommendations of the Councilors. Further, it was resolved to call for tenders from Mahindra & Mahindra, Ferguson as per resolution No.36.

6. He is not responsible for issuing purchase order to M/s Panchasheel Enterprises and his role is only to record the Council resolutions. It is the responsibility of the Commissioner to take action on the resolutions passed by the Council, and to issue purchase orders.

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6. On examination of the explanation of the Chairperson, Korutla Municipality, Government have observed that:

1. As Chairperson of Municipal Council he should have verified the prevailing market prices of Tractors, before taking a decision by the Municipal Council in this matter. Similarly he should have conducted the negotiation for reduction of the prevailing price quoted by the lowest tenders. Hence, irregularity No.1 is held proved against the Chairperson.
2. The name of Eicher Company was excluded in the second tender notice dated: 1.10.2007 and the names of Mahindra & Mahindra and Ferguson were included and a resolution to this effect was made in Resolution No. 36, dated: 30.8.2007 willfully by the Chairperson, Municipal Commissioner, Korutla Municipality. The Chairperson has not offered any specific explanation for excluding the Eicher Company in the second tender notice though many councilors have not recommended for such exclusion as per the report of Vigilance & Enforcement Department. Hence, irregularity No.2 is held proved against the Chairperson.
3. Many councilors have opposed the tender of Mahindra & Mahindra company at higher rate Rs. 41,940/- per tractor compared to the rate quoted previously. The Chairperson is trying to take shelter in the name of resolution of the Municipal Council. The Chairperson should have suggested for rejection of the tender at higher price as it is causing financial loss to the Municipality. Hence, the irregularity No.3 is held proved against the Chairperson.
4. The Chairperson has not conducted negotiations with the lowest tender as suggested by the Councilors. He should have conducted negotiations or advised the Commissioner to conduct the negotiations with lowest tenderer in the financial interest of the Municipality. Hence irregularity No. 4 is held proved against the Chairperson.
5. The explanation of the Chairperson is not relevant to the loss caused to the Municipality in this matter. Hence, the irregularity No.5 is held proved.
6. The Chairperson has failed to explain reasons for not recording the dissent note of Sri Induri Satyam, Ward No.22<sup>nd</sup> Councilor in the resolution for purchase of tractors from M/S Panchasheela Enterprises. Hence, irregularity No.6 to the extent of not following the procedure prescribed for conducting the meeting of the Municipal Council is held proved against the Chairperson.
7. In the light of the above, Government have decided to remove Sri M.A. Gaffar from the office of the Chairperson, Korutla Municipality with immediate effect.
8. The following notification will be published in an Extra-ordinary issue of A.P., Gazette **Dated:20.09.2010.**

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9. The Commissioner, Printing, Stationary & Stores purchase, A.P., Hyderabad shall furnish 50 copies of the Gazette Notification to the Government.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**PUSHPA SUBRAHMANYAM  
PRINCIPAL SECRETARY TO GOVERNMENT**

To

The Commissioner of Printing, Stationary & Stores Purchase, A.P., Hyderabad.

The Chairperson Korutla Municipality, Karimnagar District (through the Commissioner, Korutla Municipality with a direction to serve this notice and return the served copy immediately to Government)

The Commissioner and Director of Municipal Administration, A.P, Hyderabad

The Collector and District Magistrate, Karimnagar

The Commissioner, Korutla Municipality, Karimnagar District,

**Copy to:**

The Government Pleader (MA&UD Department) A.P., High Court.

The P.S to M (MA).

The P.S to Chief Secretary to Government

The P.S to Principal Secretary (MA)

The General Administration (Vigilance & Enforcement) Department.

Sf/Sc.

**//FORWARDED :: BY ORDER//**

**SECTION OFFICER**

**NOTIFICATION**

In exercise of the powers conferred by Sub-section (II) of the Section 60 (I) of the Andhra Pradesh Municipalities Act, 1965, Government hereby remove Sri M.A. Gaffar, from the office of Chairperson Korutla Municipality with immediate effect, for the following reasons.

1. He has failed to verify the prevailing market prices of Tractors and to conduct negotiations for reduction of the prevailing price quoted by the lowest tenderer. While purchasing three tractors in the year 2007.

2. The name of Eicher Company was excluded in the second tender notice dated: 1.10.2007 and the names of Mahindra & Mahindra and Ferguson were included and a resolution to this effect was made in Resolution No. 36, dated: 30.8.2007 willfully by the Chairperson, Korutla Municipality, though many councilors have not recommended for such exclusion.

3. As many councilors have opposed the tender of Mahindra & Mahindra company at higher rate Rs.41,940/- per tractor compared to the rate quoted previously, he has not taken action for rejection of the tender at higher price as it is causing financial loss to the Municipality.

4. He has neither conducted negotiations with the lowest tenderer as suggested by the Councilors nor advised the Commissioner to conduct the negotiations with lowest tenderer in the financial interest of the Municipality.

5. He has caused loss of Rs.3,39,300/- to the Municipality.

6. He has failed to record the dissent note of Sri Induri Satyam, Councilor, Ward No.22<sup>nd</sup> in the resolution for purchase of tractors from M/S Panchasheela Enterprises.

**PUSHPA SUBRAHMANYAM  
PRINCIPAL SECRETARY TO GOVERNMENT**

**SECTION OFFICER**